
From: Steven Sinofsky <[REDACTED]>
Sent: Monday, September 15, 2014 4:29 PM
To: Jeffrey Epstein
Subject: JPM

Do I need to worry about people exercising covered calls early?

This is what JPM said. I'm not asking them to confirm your advice just help me to execute.

>>> JPM dude says

I do agree that the covered call strategy is a disciplined way to divest your position over time (assuming the stock remains through the call strike) while making the "cost to manage" net positive. We do apologize for the misunderstanding as our primary goal in the below analysis was to hedge your existing position.

Let me check with our desk to get pricing on calls (OTC) and also provide you with listed pricing as well so you can compare. The listed options will likely be cheaper (a clear positive) but can be exercised early by the holder which means your taxable event could be pulled forward. We'll need to weigh our aversion to this against whatever price discrepancy exists.

That said, I like using listed options for covered call strategies especially if you don't mind building the position over a few days. Listed options provide flexibility (easy to close-out if necessary) as well as full price transparency.

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